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THE Fats and Oils SITUATION

BUREAU OF AGRICULTURAL ECONOMICS
UNITED STATES DEPARTMENT OF AGRICULTURE

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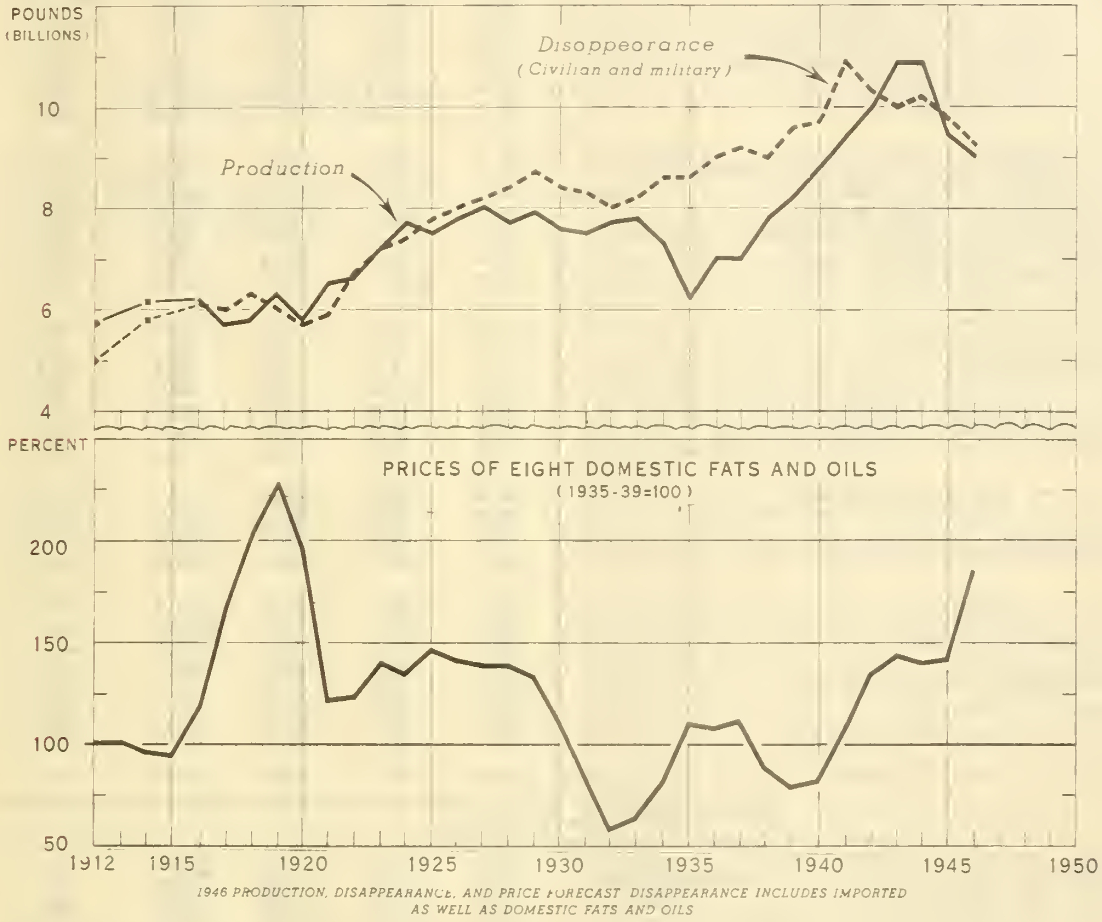
FATS AND OILS: PRODUCTION FROM DOMESTIC MATERIALS, DOMESTIC DISAPPEARANCE FROM ALL MATERIALS, AND INDEX NUMBERS OF WHOLESALE PRICES, 1912-46



1946 PRODUCTION, DISAPPEARANCE, AND PRICE FORECAST. DISAPPEARANCE INCLUDES IMPORTED AS WELL AS DOMESTIC FATS AND OILS

U. S. DEPARTMENT OF AGRICULTURE NEG. 43272 BUREAU OF AGRICULTURAL ECONOMICS

Wholesale prices of 8 domestic fats and oils probably will average over 200 percent of 1935-39 in the second half of 1946 compared with 152 percent in the first half year. This increase reflects the temporary lapse of price ceilings in July and August, exemption of butter from price control, and increases in price ceilings for lard and other items in September.

With reductions in the 1946 fall pig crop and in the 1946 output of flaxseed, domestic production of fats and oils will be smaller in the first 9 months of 1947 than a year earlier. Stocks at the beginning of the year probably will be the smallest in 20 years. Imports may increase, but the net balance of imports over exports will still be far below prewar. These factors will support prices at a high level in 1947, although a decline in prices may occur in the latter part of the year if there is a general business recession.

Table 1.- Wholesale price per pound of fats, oils, and glycerin at specified markets, and index numbers of prices of fats and oils, August 1944 and 1945, June-August 1946

PRICES

Item	August 1944	August 1945	1946 June	1946 July	1946 August
	Cents	Cents	Cents	Cents	Cents
Butter, 92-score, Chicago	41.5	41.5	51.5	1/69.6	69.7
Butter, 92-score, New York	42.2	42.2	52.2	1/70.0	70.5
Oleomargarine, dom. veg., Chicago	19.0	19.0	19.0	21.0	25.5
Shortening, cottonseed, hydrogenated, 10-drum lots, N. Y.	17.8	17.8	17.8	17.9	19.5
Lard, loose, Chicago	12.4	12.8	13.0	20.9	31.4
Lard, prime steam, tierces, Chicago	13.4	13.8	14.0	22.0	32.8
Lard, refined, 1-pound cartons, Chicago	15.6	15.6	15.8	1/27.0	35.7
Oleo oil, extra, tierces, Chicago	13.0	13.0	13.0	16.7	---
Oleostearine, bbl., N. Y.	10.5	10.5	10.5	2/14.8	3/17.8
Tallow, edible, Chicago	9.9	9.9	9.9	14.8	17.6
Corn oil, crude, tanks, f.o.b. mills	12.8	12.8	12.8	12.8	12.8
Corn oil, edible, returnable drums, l.c.l., New York	16.5	16.6	16.6	16.6	---
Cottonseed oil, crude, tanks, f.o.b. S.E. mills	12.8	12.8	12.8	4/16.2	4/15.6
Cottonseed oil, p.s.y., tank cars, N. Y.	14.3	14.3	14.3	17.5	---
Peanut oil, crude, tanks, f.o.b. mills	13.0	13.0	13.0	13.0	13.0
Peanut oil, refined, edible (white), drums, N. Y.	16.5	16.5	16.5	---	---
Soybean oil, crude, tank cars, midwestern mills	11.8	11.8	11.8	11.8	13.7
Soybean oil, edible, drums, l.c.l., N. Y.	15.2	15.4	15.4	17.6	20.0
Sunflower oil, semi-refined, tank cars, f.o.b. N. Y.	14.3	14.3	14.3	14.3	14.3
Babassu oil, tanks, N. Y.	11.1	11.1	11.8	12.0	12.0
Coconut oil, Manila, crude, c.i.f. Pacific Coast 5/	11.0	11.0	11.0	11.0	11.0
Olive oil, imported, edible, drums, N. Y.	---	---	---	126.7	77.5
Olive oil, California, edible, drums, N. Y.	60.7	60.7	58.7	58.7	58.7
Olive-oil foots, imported, drums, carlots, N. Y.	---	---	18.0	18.0	18.0
Palm oil, Congo, crude, bulk, N. Y. 5/	11.4	11.4	11.4	11.4	11.4
Rapeseed oil, refined, denatured, bulk, N. Y.	11.5	6/11.6	13.0	13.0	13.0
Tallow, inedible, prime, carlots, Chicago	8.6	8.6	8.6	12.1	8.6
Tallow, No. 1, inedible, Chicago	8.4	8.4	8.4	11.8	8.4
Grease, A White, Chicago	8.8	8.8	8.8	12.2	8.8
Menhaden oil, crude, tanks, f.o.b. Baltimore	8.7	8.9	8.9	10.4	8.9
Sardine oil, crude, tanks, Pacific Coast	8.0	8.9	8.9	11.0	8.9
Whale oil, refined, bleached winter, drums, N. Y.	12.3	12.3	---	---	---
Cottonseed-oil foots, raw, (50% T.F.A.) delivered, East	3.6	3.6	3.6	4.1	3.6
Linseed oil, raw, tank cars, Minneapolis	14.3	14.3	14.3	16.4	15.6
Linseed oil, raw, nonreturnable drums, carlots, N. Y.	15.5	15.5	15.5	17.6	16.8
Oiticica oil, drums, f.o.b. N. Y.	20.4	24.8	25.5	1/25.6	26.0
Tung oil, returnable drums, carlots, N. Y.	39.0	39.0	39.0	39.0	39.0
Castor oil, No. 3, bbl., N. Y.	13.8	13.8	14.8	14.8	14.8
Castor oil, No. 1, tanks, N. Y.	13.0	13.0	14.2	7/19.8	---
Castor oil, dehydrated, tanks, N. Y.	17.7	17.9	19.4	19.9	---
Cod-liver oil, med. U.S.P., bbl., N. Y.	31.6	33.2	35.2	35.2	35.2
Cod oil, Newfoundland, drums, N. Y.	11.7	11.5	11.9	11.9	11.9
Degras, common, barrels, N. Y.	11.0	11.0	11.0	11.0	11.0
Neat's-foot oil, pure, carlots, barrels, N. Y.	18.2	15.9	16.0	18.8	22.0
Glycerin, soaplye, basis 80%, tanks, N. Y.	11.5	11.1	11.5	12.0	11.5

INDEX NUMBERS (1935-39 = 100)

Item	August 1944	August 1945	1946 June	1946 July	1946 August
Eight domestic fats and oils (1910-14 = 100)	142	142	162	1/222	244
Seven domestic fats and oils (1910-14 = 100), butter excl.	148	150	151	215	264
Eight domestic fats and oils (.72*)	139	140	160	1/219	240
Seven domestic fats and oils, butter excluded (.79*)	143	146	147	209	256
All fats and oils (27 items) (.73*)	147	148	166	222	229
All fats and oils, except butter (26 items) (.82*)	154	155	155	204	207
Grouped by origin:					
Animal fats (.69*)	138	139	165	230	246
Marine animal oils (.77*)	170	170	171	187	171
Vegetable oils, domestic (.84*)	160	160	160	190	188
Vegetable oils, foreign (.88*)	177	177	177	212	183
Grouped by use:					
Butter (.67*)	139	139	173	236	236
Butter, seasonally adjusted (.67*)	143	143	190	254	243
Lard (.78*)	131	135	137	215	322
Other food fats (.84*)	168	168	168	221	200
All food fats (.71*)	144	145	168	231	244
Soap fats (.80*)	150	150	150	179	154
Drying oils (.85*)	175	174	174	193	185
Miscellaneous oils (.71*)	154	154	163	163	163
All industrial fats and oils (.82*)	160	160	160	183	166

Prices compiled from Oil, Paint and Drug Reporter, The National Provisioner, The Journal of Commerce (New York), and reports of Production and Marketing Administration, and Bureau of Labor Statistics. Excise taxes and duties included where applicable. Index numbers of earlier years beginning 1910 are given in Technical Bulletin No. 737 (1940) and The Fats and Oils Situation beginning December 1940. 1/ Revised. 2/ Chicago. 3/ Loose, N. Y. 4/ Southwest mills. 5/ Three-cent processing tax added to price as originally quoted. 6/ New Orleans. 7/ Less than carlots. *Multiply by this factor to convert current index number (1935-39 = 100) to old basis (1924-29 = 100).

THE FATS AND OILS SITUATION

Approved by the Outlook and Situation Board, September 24, 1946

Contents

Page

Summary 3
Outlook 6
Recent Developments 14
Government Actions 16

SUMMARY

United States imports of fats and oils are likely to increase substantially in 1947. Exports, on the other hand, are expected to be smaller than in 1946, largely as a result of reduced production and stocks in this country. Export supplies of copra in the Philippines and the "outer islands" of the East Indies, whale oil in the Antarctic, and linseed oil in Argentina are likely to increase materially in 1947.

Total exports of fats and oils from surplus-producing areas, however, will still be well below prewar in 1947 and perhaps in 1948. Whale-oil production in the Antarctic under international agreement is limited to about 60 percent of the prewar level of 1 billion pounds. Export supplies of fats and oils in India will be less than prewar because industrial development and increased consumer spending power in India have resulted in an increased consumption in that country. Strong domestic demands also are limiting exports in other surplus areas, such as Argentina and Brazil. With political unrest still prevailing in Java and Sumatra, prospects are dim for resumption of exports of palm oil from the East Indies. It is uncertain when and in what quantity Manchurian soybeans and perilla seed will again be available in world trade. And it may be many months before China resumes exports of edible oils and tung oil in volume.

Production of fats and oils from domestic materials in the next 12 months probably will be moderately smaller than in the 12 months ending September 30, 1946. Lard and grease production in the late spring and summer of 1947 will be smaller than a year earlier, reflecting a 15 to 20 percent reduction in the 1946 fall pig crop. Linseed-oil output from domestic flaxseed will be substantially smaller in the first half of 1947 than in the first half of 1946 as a result of the 38-percent decline in the flaxseed crop in 1946. A slight reduction in soybean-oil production also is likely in the next 12 months. Cottonseed-oil production will continue at the low level of 1945-46, as the cottonseed crop is unusually small again this year. Butter production may increase slightly in 1946-47. Total output of fats from domestic materials in 1946-47 is tentatively forecast at 8.6 billion pounds, 3 percent less than a year earlier but about 5 percent above the 1937-41 average.

Output in 1947-48 may show some increase over 1946-47, but the increase will not be great unless the spring and fall pig crops of 1947 show substantial gains over 1946. The hog-corn price ratio this winter, at ceiling prices for hogs, will not be particularly favorable for an expansion in the spring pig crop, even if corn prices decline to support levels. But the normal relationship between the size of the pig crop and hog-corn price ratio may be upset by the prospect of termination of price control by mid-1947. Price relationships probably will be favorable for an expansion in the 1947 fall pig crop, particularly with a fairly large carry-over of 1946-crop corn in prospect. Expansion also is possible in output of domestic oilseeds. A 50-percent increase in flaxseed acreage has been tentatively set as a goal for next year. Goals have not been announced for other oil crops, but with upward pressure on prices of oils and oilseeds, and fairly abundant supplies of grains, soybean acreage may be increased somewhat in 1947.

With reduced production in 1946-47, only a part of the net gain from the prospective increase in imports and decrease in exports will show up as more fats and oils for domestic consumption. Factory and warehouse stocks of fats and oils in the United States on October 1, 1946 probably will be 300 to 400 million pounds smaller than the 1,655 million pounds on hand a year earlier. Thus, consumption cannot be supplemented in 1946-47, as in the preceding 12 months, by drawing on stocks. Civilian consumption in 1946-47 (year beginning October) may be slightly larger per person than in 1945-46 but will be moderately below prewar and considerably below demand at ceiling prices.

Demand for fats and oils is expected to be maintained at a high level well into 1947 by record high peacetime levels of industrial activity and consumer income. Until mid-1947, prices of fats and oils probably will be at ceiling levels, or higher if ceilings are removed. Prices after mid-1947 will be materially affected by changes in business investment and consumer incomes. A marked recession in general business lines, if it occurs, probably would be accompanied by declines in prices of fats and oils despite the apparent scarcity of supplies.

Prices of oilseeds will be relatively high in the 1946-47 marketing year.

Soybean prices will be at ceiling levels through June 1947, or higher if ceilings are removed. In accordance with a recent recommendation of the Secretary of Agriculture, ceilings for soybeans are soon to be increased 15 cents per bushel, to $2.25 for No. 1 or No. 2 green and yellow varieties. The support price for soybeans remains at $2.04 per bushel, the same as last season.

Returns to producers for flaxseed produced in 1946 will be supported at $3.60 per bushel, Minneapolis basis, if necessary. The prevailing market price, however, will be the recently announced ceiling of $4.00 per bushel, Minneapolis. A support price of $4.00 per bushel, Minneapolis, recently was announced for 1947-crop flaxseed. During 1945-46, flaxseed sold for $3.10, Minneapolis, and in addition farmers were eligible for payment of $5.00 per planted acre, equivalent to about 56 cents per bushel on the basis of the national average yield per acre in 1945.

The support price for peanuts produced in 1946 is 8.6 cents per pound ($172 per ton), compared with an average of 8.2 cents received by farmers for the 1945 crop. Peanut prices are not likely to be much above support levels in the current marketing year.

In late September theSecretary of Agriculture recommended an increase of 1.75 cents per pound in price ceilings for crude cottonseed, soybean, peanut, and corn oils, with related increases to be made in ceilingsfor products manufactured from these oils. Also, the Director of the Office of Economic Stabilization recommended that price ceilings on cotton linters be increased 3 cents per pound, or removed.

On the basis of price ceilings for cottonseed oil, meal, and linters, including the recommended increases in oil and linters, prices to farmers for cottonseed in 1946-47 would average $68 to $69 per ton compared with $52.10 per ton received for the 1945 crop.

Present legislation requires prices of soybeans, peanuts, and flaxseed to be supported at not less than 90 percent of the comparable or parity price for 2 full calendar years after the war is officially declared ended. This will be until January 1, 1949 at the earliest. The present support price for soybeans is equal to 104 percent of the comparable price for August 15, 1946. The peanut support, established at 90 percent of the parity price of peanuts on July 15, is equal to 88 percent of the August 15 parity. The support level for the 1946 crop of flaxseed is equivalent to 96 percent of the parity price for August 15. The support price for flaxseed announced for the 1947 crop is equivalent to 110 percent of the parity for August 1946.

OUTLOOK

BACKGROUND.- Domestic output of fats and oils has declined from the wartime peak of 10.8 billion pounds reached in 1943 and again in 1944 to about 8.8 billion pounds in 1946. A further decline may occur in 1947. Declines in the past 2 years have resulted chiefly from sharp reductions in pig crops from the record highs of 1942 and 1943. Also, butter output has been materially reduced and flaxseed acreage and production have declined from the peak reached in 1943. Prewar, domestic output of fats and oils was 8.2 billion pounds (1937-41 average).

The wartime world shortage of oils and fats was brought forcibly to light in late 1945 and early 1946, when continental Europe was restored as a major importing area. Exportable supplies from surplus-producing countries were much below prewar. The world shortage was reflected in a reduction of imports into the United States, even from the low wartime level. Exports from the United States were reduced in 1945, reflecting the tightening supply situation here. But exports exceeded imports by more than 200 million pounds in 1945 and probably will again exceed imports in 1946. Before the war, the United States maintained a net balance of imports over exports of about 1.5 billion pounds a year.

Stocks of fats and oils in the United States reached a peak in mid-1944 as result of large hog slaughter and lard and grease production, but stocks have declined steadily since then, except for seasonal variation. Factory and warehouse stocks in mid-1946 were 1,350 million pounds (50 percent) smaller than in mid-1944. A large part of the withdrawals from inventory was used to aid our European allies and in foreign relief programs. Consumption of fats and oils in the United States has declined steadily since 1944.

Wholesale prices of fats and oils advanced sharply in 1941 and early 1942, but, under ceilings, prices remained steady from July 1943 until November 1945 at about 140 percent of the 1935-39 average. A ten-point rise occurred in both November 1945 and June 1946 as a result of increases in the ceiling price for butter. With the temporary lapse of price ceilings July 1, 1946, the level of fat-and-oil prices advanced to 240 percent of the 1935-39 average in August -- nearly equal to the November 1919 peak. Price ceilings on edible oils and fats, except butter, were reestablished in late August and early September 1946. Ceilings on inedible oils and fats had been reestablished earlier, in late July.

World Export Supplies of Fats and Oils Increasing; U.S. To Have Net Import Balance in 1947

Export supplies of fats, oils, and oilseeds available to North America and Europe from major world surplus-producing areas are estimated to be about 5.5 billion pounds in 1946, compared with 4.3 billion pounds in 1945 and a 1934-38 average of 9.6 billion pounds. The principal increases in world supplies in 1946 have been in whale-oil production in the Antarctic and in copra exports from the Philippines. Output of whale oil in the Antarctic last winter and spring totaled about 500 million pounds whereas no oil was produced in the Antarctic in 1945. Exports of copra from the Philippine Islands in the first 6 months of 1946 totaled 190 million pounds, in terms of oil. Nearly two-thirds of the exports from the Philippines were for ultimate consumption in the United States. June and July exports were at the rate of about 75 million pounds a month (oil equivalent), but a seasonal slackening of production may hold exports to a lower level for the balance of this year. Philippine copra exports were negligible in 1945. The 1935-39 average was 785 million pounds, in terms of oil; and in 1939, the peak prewar year, 926 million pounds of coconut oil and copra (in terms of oil) were exported. In 1935-39 approximately 79 percent of the Philippine export supply was imported by the United States.

Exports of oils and fats from India are smaller this year than last, because of a short crop of flaxseed, an embargo on exports during much of the year, and increased demand in that country.

Further increases are expected in 1947 in export supplies in world surplus-producing areas. Philippine copra exports will be greater in 1947 than in 1946 and may equal or exceed the prewar volume of exports of oil and copra. Exports of copra and coconut oil from the Netherlands East Indies in 1947 will be substantially larger than the 100 million pounds estimated for the latter half of 1946. Prewar exports were 748 million pounds (oil equivalent). Whale oil output in the Antarctic next winter, under present international restrictions, could be increased to a maximum of around 600 million pounds, about 300 million pounds more than output in 1946. However, on the basis of the number of factory ships expected to be outfitted for the 1946-47 expeditions, whale-oil production in the Antarctic next season is more likely to be about 500 million pounds, half as large as in 1935-39. Export supplies of fats and oils from Argentina may be materially larger in 1947 than in 1946, as relatively high prices to farmers probably will induce planting of large acreages, especially of flaxseed and sunflowers.

With larger world export surpluses of fats and oils available in 1947, imports into the United States probably will increase. Exports from the United States, on the other hand, are likely to decline. A net import of fats and oils is likely. This would be the first net import since 1942, but the quantity of net imports would be small compared with the prewar average of net imports totaling 1,500 million pounds.

Table 2.- Fats and oils: Imports for consumption, exports, shipments to U.S. territories, and net imports or net exports, United States 1937-46

Period	Imports for consumption 1/	Exports 2/	Shipments to territories	Net imports or net exports (-)
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
Average, 1937-41	2,017	440	67	1,510
1942	948	874	74	3/
1943	4/ 961	4/1,514	81	-634
1944	980	1,567	72	-659
1945	902	1,052	71	-221
1946, Jan.-June	361	530	47	-216

1/ Excluding margarine, which goes to Puerto Rico and the Virgin Islands.

2/ Including (1) reexports of items reported in imports for consumption; (2) fat equivalent of margarine, shortening, and soap; (3) Army procurement for relief abroad, and (4) Red Cross procurement of margarine and soap (fat equivalent).

3/ Net import of less than 500,000 pounds.

4/ Revised; based on Foreign Commerce and Navigation for 1943.

Domestic Production of Fats and Oils Likely To Decline Moderately in 1946-47

Production of fats and oils from domestic materials probably will be moderately smaller in the 12 months beginning October 1946 than a year earlier. Output is tentatively forecast at 8.6 billion pounds, about 200 million pounds (3 percent) less than the 8.8 billion pounds produced in the 12 months ending September 30, 1946.

Lard production in the next 12 months will be mainly determined by the size of the 1946 spring and fall pig crops. The spring pig crop was indicated to be 1 percent larger than a year earlier; consequently total hog slaughter and lard output this fall and winter are likely to be about the same as a year earlier. Some early spring pigs apparently were marketed at light weights in late August, a month to six weeks earlier than usual. This and a probable delay in marketings of other spring pigs will tend to reduce lard output this fall. On the other hand, marketings of spring pigs are likely to be relatively large during the winter and yields of lard per hog next spring probably will be higher than last spring, when the yield was materially reduced by heavy procurement of fatbacks for export.

June 1 indications were for a 17-percent reduction in the 1946 fall pig crop. Farmers' plans may have been modified by the prospect of a bumper corn crop, but with abnormally high corn prices during the summer, a substantial reduction in the fall pig crop is likely, possibly exceeding 17 percent. Marketings of hogs next spring and summer will be materially smaller than in the spring and summer of 1946. This reduction will be only partly offset by a larger yield of lard per animal next year than this.

With reduced hog slaughter, production of grease probably will also decline next spring and summer below the level of 1946.

Butter production may increase slightly in 1946-47. Prospects are good for large supplies of feed. Milk production probably will be maintained near the 1946 level even with somewhat fewer cows. The high wartime rate of consumption of fluid milk and cream may be reduced somewhat by the recent 25-percent increase in retail prices for these products.

Production of edible vegetable oils in the next 12 months is not likely to differ greatly from the output in 1945-46, on the basis of September 1 crop indications. A decline of 4 percent in indicated soybean production in 1946 is partly offset in its effect on vegetable-oil production by a slight prospective increase in the cottonseed crop. Also, there may be some increases in production of corn and peanut oils in 1946-47. Corn processing probably will not be hampered, as in the 1945-46 crop year, by a short commercial supply of corn. With record high inventories of cleaned and shelled peanuts on hand as the new season begins, and another large crop in prospect, more peanuts may be crushed for oil in 1946-47 than a year earlier.

Production of linseed oil from the 1946 domestic flaxseed will be materially smaller than from the 1945 crop. The probable outturn of linseed oil from the 1946 crop is about 350 million pounds, 33 percent less than the apparent production from domestic flaxseed in 1945-46.

Consumption per Person to Increase But Will Remain Below Prewar

Disappearance of fats and oils in the 1946 calendar year into civilian trade channels in the United States may total about 62 pounds per person (including only fat content of butter) compared with a prewar average of 67 pounds in 1935-39. Domestic consumption of food fats in 1946 may total about 38 pounds per person (fat content) compared with 45 pounds prewar. Consumption of nonfood fats may be about 24 pounds per person this year compared with an average of 22 pounds in 1935-39.

The 1946 level of consumption (and exports) is being reached only by drawing on stocks, which at mid-year were 350 million pounds smaller than a year earlier and smallest for the season in 20 years. Some increase in inventories is likely in 1947, particularly if price ceilings on fats and oils are removed during the year. 1947 prospects for the first substantial net imports since 1941 do not greatly change the supply of fats and oils available for domestic consumption, because of reduced domestic production and the necessity of maintaining or increasing stocks. Supplies available for domestic civilian consumption in 1946-47 (year beginning October) probably will not exceed 64 pounds per person. Both food and nonfood users are likely to share in any advance.

Food Fats.- Production of food fats as a group -- lard, butter, margarine, shortening, and cooking and salad oils -- may be moderately larger in 1946-47 than a year earlier. An expected decrease in lard production of approximately 100 million pounds may be more than offset by a decrease in exports of lard and by an increase in butter output. Production of edible beef fats and edible vegetable oils probably will not be much different from output in 1945-46. Imports of edible fats and oils, such as sunflower and cottonseed, are likely to be negligible as in the past year.

Exports of food fats, particularly lard, probably will decline in 1946-47 Consumption of food fats per person in the United States is likely to be somewhat larger in 1946-47 than the low level of consumption in 1945-46. But consumption per person probably will remain below prewar and considerably below demand at ceiling prices.

Soap Fats.- The probable reduction in output of grease in 1946-47 (year beginning October) is more than offset by an expected increase in imports of copra. Net imports of coconut oil (all in the form of copra) may reach the prewar rate of more than 600 million pounds in 1946-47, roughly twice the imports of coconut oil for U. S. consumption in 1945-46. Part of the increase over 1945-46 may go to food products and part to industrial uses, including soap. Stocks of soap fats are now exceptionally low.

Drying Oils.- Approximately 26 million bushels of domestic and 3 million bushels of imported flaxseed were crushed in 1945-46 (July to June). The total output of linseed oil from this crush was 588 million pounds, with an estimated 519 million pounds from domestic flaxseed, 34 million pounds from Uruguayan flaxseed, 27 million pounds from Argentine flaxseed, and 8 million pounds from Canadian and Mexican flaxseed. In addition, net imports of linseed oil, almost all from Argentina, amounted to 60 million pounds.

In 1946-47 (year beginning July), production from domestic flaxseed probably will not exceed 350 million pounds. This would meet less than half of the total demand for linseed oil. Demand for linseed and other drying oils depends chiefly on the levels of industrial production and building activity. To meet the probable United States demand for linseed oil in 1946-47 imports of about 20 million bushels of flaxseed, or their equivalent in linseed oil, would be necessary. Present indications point to larger arrivals of linseed oil and flaxseed in 1946-47 than in 1945-46, when the equivalent of about 6 million bushels of flaxseed was imported. But a high level is not likely to be reached in view of the strong European demand for oilseeds and oils, and the limited supplies of flaxseed and linseed oil available for export in surplus-producing areas.

Under a recent agreement reached between the Argentine Government and a committee representing the International Emergency Food Council, Argentina would export before December 31, 1946, 120,000 long tons of linseed oil (equivalent to about 13 million bushels of seed) out of present supplies. The United States allocation from this total is 32,000 long tons (approximately 70 million pounds). As the equivalent of about 10 million bushels of flaxseed were exported in the first half of 1946, in the form either of oil or seed, exports of flaxseed and linseed oil from Argentina in 1946 would total 20 to 25 million bushels in terms of seed.

The second official estimate of Argentine flaxseed acreage indicates 5.0 million acres sown this fall compared with 4.6 million acres last year. With average yields, the crop to be harvested this coming winter would be around 45 million bushels compared with 38 million bushels last winter and a prewar average output of 67 million bushels (1930-39 average). Use of flaxseed in Argentina now amounts to about 10 million bushels annually (including flaxseed used for seed and the flaxseed equivalent of linseed-oil consumption). With the carry-over into 1947 of old-crop flaxseed and linseed oil likely to be relatively small, the exportable surplus of flaxseed and linseed oil from Argentina in 1947 may not be more than 40 million bushels in terms of flaxseed (800 million pounds in terms of linseed oil) compared with annual exports of about 60 million bushels before the war. The bulk of these exports in 1947 will be in the form of oil.

Exports of tung oil from China continue relatively small. The total from V-J Day through June 1946 was about 20 million pounds. The prewar export was 178 million pounds annually (1933-37 average), of which 120 million pounds were shipped to the United States. Imports of tung oil from all sources into the United States in the first 7 months of 1946 totaled 11 million pounds, of which 5 million pounds were received in July.

Perilla oil was used in substantial quantities in the United States in prewar years, largely as a substitute for linseed oil. Imports of this oil (including perilla seed in terms of oil) averaged about 64 million pounds annually (1935-39). Virtually all of the world exports of perilla seed were from Manchuria and Korea. There is little prospect for early resumption of this trade.

Soybean Prices to Continue Relatively High; Demand to Remain Strong

Prices to farmers for soybeans produced in 1946 are to be supported at the same level as a year earlier, with a basic support of $2.04 per bushel for No. 1 or No. 2 green and yellow soybeans, 14 percent moisture content, normal producers delivery points. Prices for other types and grades will be supported at the same differentials above or below the basic support as last year. Black, brown, and mixed soybeans will be 20 cents per bushel less than the green and yellow types. Ceiling prices for 1946-crop soybeans (except those sold for seed or for preparation as human food are to be 21 cents above supports and 15 cents above the ceilings that prevailed in 1945-46.

Present legislation requires soybean prices to be supported at least at 90 percent of the comparable price for two calendar years after the war is officially declared ended. The period of mandatory price support will carry through to January 1, 1949 at least. On August 15, 1946, the comparable price of soybeans was $1.96 per bushel. With the general level of prices expected to advance in coming months, it is likely that the comparable price of soybeans at the beginning of the 1947 harvest will be higher than at present.

No substantial surplus in soybeans is likely to develop during the next 2 years, even with acreage maintained at the present level, except in the event of a severe business recession in the United States. The outlook for a continued strong demand for soybeans is based on several factors. The level of consumer income in the United States is so high that a substantial decline would leave income still well-above-the prewar peak reached in 1941. Demand for soybean meal for feed in the United States has increased as a result of greatly expanded use, with favorable results, during the war. World export supplies of oils and fats are not likely to return to the prewar level before 1949 or 1950. As long as Manchurian soybeans remain unobtainable in world markets, a potentially strong export demand for United States soybeans is likely.

Peanut Prices to be Supported at High Level: Some Decline in Demand Likely

Prices to farmers for peanuts produced in 1946 will be supported at an average of $172 per ton (8.6 cents per pound), 90 percent of the parity price of peanuts on July 15, 1946. This support price is about $12 per ton above the support for 1945-crop peanuts, and about $8 per ton higher than the season average price actually received by farmers. Peanuts and peanut products other than oil and meal are not subject to price ceilings.

Consumption of peanuts in peanut butter, salted peanuts, candy, and bakery goods has been at a high level since the beginning of the war. Civilian consumption of these products in the crop years 1942-45 averaged 6.3 pounds per person compared with an average of 4.6 pounds per person in 1937-41. This increase, which occurred despite a rise of over 100 percent in the price received by farmers for peanuts, probably was due to substitution of peanuts for scarce foods, as well as to the wartime increase in consumer incomes. Peanut butter apparently has been used to some extent as a substitute for butter and meat, particularly in sandwiches. Use of peanuts in candy apparently was increased during the war to offset the decrease in supplies of scarce ingredients, such as sugar and chocolate. Also, consumer demand for salted peanuts probably was increased by the scarcity of candy bars.

Civilian consumption of edible peanut products in the 1945 crop year is estimated to have been equivalent to 6.6 pounds of shelled peanuts per person, exceeding the previous high reached in 1942. However, stocks of cleaned and shelled peanuts increased about 80 million pounds (farmers' stock equivalent), partly as a result of a sharp decline in military procurement of peanut products. With the high support price for the 1946 crop, large stocks of cleaned and shelled peanuts on hand at the beginning of the crop year, and a likelihood of some decline in demand for peanut products as substitutes for scarce foods, cleaning and shelling of peanuts may decline in the 1946 crop year. In that event, the quantity of peanuts remaining for diversion to crushing for oil or for export would be increased in 1946-47.

Prices to farmers for peanuts harvested in 1947 are likely to be determined by the support level. Since parity prices probably will show an upward trend in coming months, the support price for peanuts in 1947-48 is likely to be higher than it is this season. Demand for peanut products, however, may decline further in 1947-48, particularly if there is a business recession in that period.

Flaxseed Prices Highest in 26 Years; Demand Strong

Following the lapse of price controls June 30, flaxseed prices rose from the ceiling of $3.35 per bushel (Minneapolis basis) to $3.80 per bushel in July and to $4.00 per bushel in August, the highest since May 1920. A new ceiling price, at $4.00 per bushel, Minneapolis, was established September 9. Prices of flaxseed during the 1946-47 marketing year probably will be maintained at ceilings by strong demand for drying oil in the United States in conjunction with our relatively small 1946 crop and limited world supplies of drying oils. The support price for 1946-crop flaxseed is $3.60 per bushel, Minneapolis basis.

A support price of $4.00 per bushel (Minneapolis basis) was recently announced for flaxseed produced in 1947. At the same time, a tentative goal of 4 million planted acres for the 1947 crop was announced.[1] With an average yield of flaxseed per acre on this acreage, the 1947 crop would provide approximately 550 million pounds of linseed oil. Prewar annual consumption of linseed oil, including oil produced from imported flaxseed, in the United States since 1929 varied from a low of 326 million pounds in 1932 to a high of 868 million pounds in 1941. The chief factors affecting consumption of linseed oil in this period were the rate of industrial production and the supply of other drying oils. Industrial production is now at a rate about 25 percent higher than in 1941, the highest prewar year. The United States will continue to be dependent on imports of linseed, tung, castor, and other drying oils to make up the balance of its requirements. Available world supplies of drying oils are substantially less than prewar. A fairly strong demand for linseed oil in the United States is likely in the 1947-48 marketing year.

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[1] Suggested goals for flaxseed acreages in the winter planting States are as follows: Arizona, 25,000, 79 percent more than last year; California, 160,000, 51 percent more than last year; and Texas, 120,000, up 43 percent from last year.

RECENT DEVELOPMENTS

Prices of Domestic Fats Down in September But 33 Percent above June

The index number of wholesale prices of 8 domestic fats and oils declined in the first half of September to 212 percent of the 1935-39 average compared with 160 percent in June, 219 percent in July, and 240 percent in August. The decline from August to early September reflected reestablishment of price ceilings on edible fats and oils other than butter. The decline in lard prices was particularly sharp, with the Chicago quotation falling from 32.5 cents per pound in August to the new ceiling level of 18.3 cents in early September. The index number was 33 percent higher in the first half of September than in June as a result of higher butter prices and higher ceiling prices on lard and linseed oil. The new lard ceiling is 4.25 cents (30 percent) higher than the June 30 ceiling.

Table 3.-Wholesale price per pound of specified fats and oils, late September 1946, compared with earlier periods

Item	June 1946	July 1946	August 1946	Early September 1946	Late Septemb 1946
	Cents	Cents	Cents	Cents	Cents
Butter, 92-score, New York	52.2	69.4	70.5	75.0	80.0
Lard, prime steam, tierces, Chicago	14.0	22.0	32.8	18.3	18.3
Cottonseed oil, crude, Southwestern mills	12.6	16.2	15.6	12.6	*14.4*
Inedible tallow, No. 1, Chicago	8.4	11.3	8.4	8.4	8.4
Linseed oil, drums, New York	15.5	17.6	16.8	16.3	18.8
Menhaden oil, light, refined New York	13.0	13.4	13.0	13.0	13.0
Coconut oil, Manila, crude Pacific Coast 1/	11.0	11.0	11.0	11.1	11.1

1/ In store, sellers' tanks. Adjusted to allow for tax of 3 cents per pound on first domestic processing. *Including increase of 1.75 cents recommended by the Secretary of Agriculture in late September, but not immediately in effect.

Government Purchases Small in August

Contracts for government purchase of fats and oils in August comprised 8 million pounds (fat content) of margarine and 7 million pounds of coconut oil. This was the smallest monthly purchase since October 1945. Total purchases in January-August 1946 were 387 million pounds compared with 375 million pounds a year earlier.

Copra Agreements Signed with Philippine Republic and Netherlands East Indies

In an agreement with the United States Government signed August 8, the Philippine Government agreed to sell to Commodity Credit Corporation or its designees the entire exportable surplus of copra and coconut oil during the year beginning July 1, 1946. Bulk prices f.o.b. the Philippines were fixed at $103.50 per long ton for copra and 7.125 cents per pound for coconut oil.

The Philippine Government will grant export licenses only to countries with allocations from the International Emergency Food Council. Purchases for such countries other than the United States will be made by CCC or its designees. United States imports of copra will be made by private firms under import-license control.

An agreement with the Netherlands Indies Government similar to the Philippine agreement was signed August 15. This agreement is effective for one year beginning September 1, 1946. Under this agreement, the price stipulated for copra is $110.25 per short ton c.i.f. Pacific Coast ports, which is equivalent to the f.o.b. price specified in the Philippine agreement. The Netherlands Indies Government agrees to encourage production, procurement, and export of copra. In return the United States Government agrees to help obtain priorities for trade goods and needed equipment and to help in finding personnel and supplies for rehabilitating the small-boat building industry in the Netherlands Indies. CCC will advance money for purchases of trade goods and supply. Repayment will be made from receipts from the sale of copra.

The Netherlands Indies Government estimated that the agreement would make possible an export of at least 300,000 long tons of copra (equivalent to about 420 million pounds of coconut oil) by next September 1. Most of the prewar exports from the East Indies went to Europe. The current supply is subject to IEFC allocation.

Production Prospects Lowered in August for Soybeans, Peanuts, and Cottonseed; Improved for Flaxseed

Favorable weather during August for maturing the flaxseed crop and for harvesting operations resulted in an increase in indicated production from 21.9 million bushels August 1 to 22.8 million bushels September 1. Growing conditions in the cottonseed, peanut, and soybean areas were variable, but there was a net reduction in prospective output of each of these crops. The September 1 indications were as follows: Soybeans, 183.4 million bushels, 2.7 million bushels less than a month earlier; peanuts, 2,037 million pounds, 54 million pounds less than indicated on August 1; and cottonseed, 3,732,000 tons, down 49,000 tons. 1/

1/ Based on forecast of cotton production assuming 5-year average ratio of cottonseed to cotton lint.

Table 4.- Oilseeds: Yield per acre and production, 1944-46

Commodity	Unit	Yield per acre 1/			Unit	Production		
		1944	1945	Indicated 1946		1944	1945	Indicated 1946
Soybeans	Bu.	18.3	17.6	19.4	Mil. bu.	190.4	191.7	183.4
Flaxseed	"	7.7	9.0	8.4	" "	23.1	36.7	22.8
Cottonseed	Lb.	482	413	408	1000 T.	4902	3664	3732
Peanuts	"	670	641	648	Mil. lb.	2111	2062	2037

1/ Soybeans, per acre harvested for beans; flaxseed, per acre planted; cottonseed, per acre of cotton in cultivation July 1; peanuts, per acre picked and threshed.

GOVERNMENT ACTIONS

Price Ceilings Reestablished on Most Fats, Oils, Oilseeds, and Oilseed Meals

The Price Decontrol Board announced August 21 that price ceilings were to be reestablished on fats and oils, oilseeds, and oilseed meals. Butter, however, was exempted for the time being from price control, together with other dairy products.

Ceilings on prices of corn oil, peanut oil, and inedible fats and oils had been restored in late July, when the Price Control Extension Act was signed by the President. Maximum prices of linseed, coconut, and castor oils have been increased from the June 30 level.

In Amendment 65 to Maximum Price Regulation 53, effective July 31, the ceiling for linseed oil was increased 1.3 cents per pound to 15.8 cents (tank cars, delivered, Minneapolis). A further increase in the ceiling was made September 18 by Amendment 71, bringing the maximum to 17.8 cents. In addition, Order 33 to MPR 53, effective September 20, permits delivery of linseed oil prior to October 7 at a price to be adjusted upward after delivery in accordance with action that may be taken by the Office of Price Administration upon completion of study of flaxseed crushers' costs.

Order 33 also permits delivery of Pacific Coast sardine oil until October 7 subject to upward adjustment in price if ceilings are raised upon completion of a study of costs in the pilchard processing industry.

Amendment 67 to MPR 53, effective August 26, increased maximum prices for crude Manila coconut oil by 0.06 cent per pound (to 8.06 cents, c.i.f. Pacific Coast ports) and for Philippine copra by 50 cents per ton (to $110.25 per short ton, c.i.f. Pacific Coast ports). These increases were made to offset increased ocean freight rates.

Ceiling prices for castor oil were increased 0.2 cents per pound, and those for castor beans $47 per long ton, by Amendment 72 to MPR 53, effective September 18. The new maximum prices per pound for castor oil, tankcar lots, New York, are as follows: No. 1, 19.50 cents; No. 3, 19.20 cents; dehydrated, bodied, 26.39 cents. The new maximum for castor beans is $165.00 per long ton, c.i.f. port of arrival, Atlantic or Gulf Coast. These ceilings are equivalent to prices being paid for castor beans in Brazil, the chief source of world supplies.

A price ceiling of 9.125 cents per pound was established on September 23 for all sales of acidless tallow oil or acidless tallow to soap manufacturers. This action was taken in Amendment 70 to MPR 53.

Ceiling prices for cottonseed and soybean oils in tank-car lots were restored on August 23 at the June 30 level. Ceilings on refined cottonseed and soybean oils in tankcar lots were reestablished August 23, at levels slightly higher than on June 30. An upward adjustment in maximums for refined peanut oil also was effective August 23. These increases were made by Amendment 66 to MPR 53 in conformance with section 6(c) of the Price Control Extension Act, which required restoration of the full amount of previous "roll-backs". A subsidy of 0.5 cent per pound was paid to refiners during the 1942-43 crop year, and when the subsidy was terminated, prices of refined oil and refined-oil products were not increased by the full 0.5 cent per pound. A few typical ceilings effective August 23, 1946 for specified refined oils and comparisons with the June 30 ceilings are as follows, in cents per pound (tank car lots).

	August 23	June 30
Cottonseed oil, bleached prime summer, yellow, N. Y.	14.53	14.31
Cottonseed oil, winterized (salad oil), N. Y.	15.58	15.10
Peanut oil, deodorized, white, N. Y.	15.66	15.01
Soybean oil, winterized, basis Decatur, Ill.	13.54	13.40

New ceiling prices on processors' sales of shortening, margarine, salad oils, and cooking oils packaged in drums or smaller containers became effective August 30. 1/ These maximums, established by Amendment 66 to MPR 53, are 0.5 to 0.6 cent per pound above June 30 ceilings. New processors' maximums for salad dressing and mayonnaise, at 2 to 4 cents per gallon over the June 30 ceilings, also became effective August 30. These ceilings were set forth in Amendment 41 to Second Revised Supplementary Regulation 14 to the General Maximum Price Regulation.

Ceiling prices on packers' sales of edible tallow, oleo oil and oleostearine in tank cars were restored September 1 at June 30 levels. New ceiling prices for lard, 4.25 cents per pound over the June 30 levels, were established on September 4 by Amendment 69 to MPR 53. The new maximum for prime steam lard in tierces at Chicago ("cash" lard) is 18.30 cents per pound.

June 30 ceilings were restored, effective September 3, on soybeans and on soybean, cottonseed and linseed oil meals. On other oil meals, the former ceilings were reestablished in late July. A new ceiling price of $4.00 per bushel, Minneapolis, was established for flaxseed on September 9 by Amendment 10 to MPR 397. This is 65 cents per bushel above the June 30 ceiling price for flaxseed and 40 cents per bushel higher than the return per bushel guaranteed to farmers for flaxseed produced in 1946. Peanuts and peanut products other than oil and meal were removed from price-ceiling control on September 1. These products were not certified by the Secretary of Agriculture as being in short supply.

1/ OPA Press Release 6727, dated August 21.

Table 5 .- Imports and exports of fats, oils, oil-bearing materials in terms of oil, and fat-and-oil products, 1937-46

Item	Imports for consumption				Exports 1/			
	Average 1937-41	1945	Jan.-June		Average 1937-41	1945	Jan.-June	
			1945	1946 2/			1945	1946 2/
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
Food fats and oils								
Butter	3.8	3.7	3/	.1	9.5	4/41.4	4/18.4	4/16.5
Lard	3/	.2	.2	3/	272.7	563.8	393.8	311.6
Oleo oil	---	---	---	---	3.8	.2	3/	3/
Oleo stock	---	---	---	---	2.9	3/	---	---
Stearine, animal, edible	1.0	.2	.2	---	.3	3/	3/	3/
Tallow, edible	2.9	1.7	1.7	---	.2	3/	3/	3.5
Total, edible animal fats	7.7	5.8	2.1	.1	289.4	605.4	412.2	331.6
Corn oil	14.2	3/	3/	---	.3	.2	.1	.3
Cottonseed oil	72.1	33.5	14.5	---	11.0	11.1	5.9	1.1
Cottonseed (15.5 percent)	---	3/	3/	---	---	1.0	1.0	1.1
Olive oil, edible	48.5	9.0	7.6	.3	---	.1	3/	3/
Peanut oil	16.1	---	---	3/	2.4	.4	.1	.2
Peanuts, shelled (39 percent)	---	19.6	11.2	3/	---	---	---	---
Sesame oil	9.9	---	---	3/	---	---	---	---
Sesame seed (47 percent)	4.8	.3	3/	1.8	---	---	---	---
Soybean oil	7.0	3/	---	---	10.5	40.5	20.8	36.5
Soybeans (15 percent)	---	---	---	---	30.9	62.2	24.0	7.5
Sunflower oil	.8	85.5	55.3	.5	5/	44.1	30.8	6.0
Teaseed oil	10.0	---	---	.1	---	---	---	---
Vegetable oils, shipments to U.S. territories	---	---	---	---	8.5	7.8	4.2	3.5
Total, edible vegetable oils	183.4	147.9	88.6	2.7	63.6	167.4	86.9	56.2
Soap fats and oils								
Fish oils	2.6	13.3	8.0	2.8	2.7	16.9	4.1	3.4
Greases	---	3/	3/	---	4.5	6.8	3.7	2.6
Marine mammal oils	25.4	2.1	.3	.3	2.9	13.4	10.0	.2
Olive oil "foots"	20.2	---	---	---	---	.3	.1	3/
Olive oil, inedible	5.5	.1	.1	3/	---	3/	3/	3/
Palm oil	301.2	66.1	52.4	17.4	17.3	17.7	11.5	6.0
Tallow, inedible	7.7	32.0	30.6	2.3	1.5	6.2	3.6	4.2
Total, slow-lathering oils	362.6	113.6	91.4	22.8	28.9	61.3	33.0	16.4
Babassu oil	.4	3.8	2.0	1.3	---	---	---	---
Babassu kernels (63 percent)	48.9	46.3	26.0	20.6	---	---	---	---
Coconut oil	362.8	34.0	24.7	.9	33.4	.1	3/	41.2
Copra (63 percent)	335.9	149.1	95.1	144.0	27.8	---	---	---
Murumuru kernels (36 percent) 6/	1.2	.4	.1	3/	---	---	---	---
Palm-kernel oil	28.8	---	---	---	---	---	---	---
Palm-nut kernels (45 percent)	14.8	37.3	28.7	3/	---	---	---	---
Tucum kernels (43 percent)	2.4	5.9	.7	1.9	---	---	---	---
Total lauric-acid oils	795.2	276.8	177.3	168.7	61.2	.1	3/	41.2
Drying oils								
Flaxseed (34 percent)	351.7	72.3	48.8	41.9	---	.2	3/	.3
Linseed oil	.1	79.0	6.3	32.7	3.3	31.9	5.3	26.1
Oiticica oil	16.0	21.6	8.5	6.5	---	---	---	---
Perilla oil	28.9	3/	---	---	---	---	---	---
Perilla seed (37 percent)	.5	---	---	---	---	---	---	---
Tung oil	100.4	.3	---	6.0	5.0	1.7	1.5	.4
Total, drying oils	497.6	173.2	63.6	87.1	8.3	33.8	6.8	26.8
Other industrial oils and fats								
Cashew nut shell liquid (oil)	2.7	.3	.1	1.5	---	---	---	---
Castor oil	.5	1.7	.9	3.3	1.0	1.3	.8	1.2
Castor beans (45 percent)	96.0	137.0	76.8	57.6	---	---	---	---
Fish-liver oils	46.7	22.3	11.7	12.4	---	3.7	1.7	5.2
Japan wax (tallow)	3.0	---	---	---	---	---	---	---
Neat's-foot oil	---	.7	.5	.1	.6	.2	3/	.3
Rapeseed oil	10.3	17.7	8.8	1.3	---	.7	.4	1.5
Vegetable tallow	2.7	.3	3/	.5	---	---	---	---
Wool grease	3.0	1.3	.3	1.0	---	---	---	---
Other vegetable oils and fats	---	1.3	.7	.2	13.2	2.7	2.0	.3
Total, other industrial	163.9	182.6	99.8	77.9	14.8	8.6	4.9	8.5
Manufactured products (fat content)								
Margarine 7/	1.9	---	---	3/	1.3	64.5	29.8	17.6
Shortening	1.4	3/	3/	3/	8.0	20.6	13.9	9.5
Soap	2.8	1.6	.1	1.7	30.8	68.1	21.2	44.6
Total, manufactured products	6.1	1.6	.1	1.7	40.1	153.2	64.9	71.7
Grand total 8/	2,016.7	901.6	523.0	361.1	506.3	1,029.7	608.9	552.5

Compiled from Monthly Summary of Foreign Commerce of the United States, records of the Bureau of the Census, and reports of the U. S. Department of Agriculture.

The following items are not included above: Procurement by the Army for civilian relief and by the American Red Cross, January-December 1945, 68 million pounds of lard, 14 million pounds of edible oils, 3 million pounds of margarine (fat content), and 8 million pounds of soap (fat content); January-June 1945, 65 million pounds of lard, 3 million pounds of margarine (fat content), and 7 million pounds of soap (fat content); January-June 1946, 16 million pounds of lard and 9 million pounds of shortening and edible oils (preliminary).

1/ Includes shipments to U. S. territories of butter, lard, and manufactured products; reexports of coconut, palm, and tung oils, olive-oil foots, and copra; and reexports in 1945 and 1946 of certain quantities of whale oil, linseed oil, and sunflower oil reported in imports for consumption. Shipments include special programs of USDA in 1945. 2/ Preliminary. 3/ Less than 50,000 pounds. 4/ Includes actual weight of butter oil and spreads (Army). These were not reported separately prior to 1945. 5/ Not reported separately. 6/ 1937-41, 35 percent. 7/ Imported margarine goes largely to Puerto Rico and the Virgin Islands. 8/ Computed from unrounded numbers.

Table 6.- Fats and oils: Factory production from domestic and imported materials, January-July 1945 and 1946; and factory and warehouse stocks at end of month, July 1945, June and July 1946

Items grouped by major use	Production		Stocks (crude basis)		
	January-July 1945	January-July 1946	July 31, 1945	June 30, 1946	July 31, 1946
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds
Food fats and oils					
Butter 1/	906.9	664.5	184.8	49.6	2/ 70.1
Lard and rendered pork fat 3/	775.1	824.5	105.0	39.9	50.4
Oleo oil, edible animal stearine, and edible tallow	127.4	70.6	19.2	4.6	6.5
Total edible animal fats	1,809.4	1,559.6	309.0	94.1	127.0
Corn oil 4/	133.5	103.1	19.6	20.6	22.9
Cottonseed oil 4/	674.4	418.3	351.5	364.5	306.7
Olive oil, edible	4.0	2.0	1.8	1.8	1.8
Peanut oil 4/	72.8	60.7	51.8	44.6	43.5
Sesame oil	---	---	1.7	.2	.1
Soybean oil 4/	840.7	888.3	232.8	261.3	256.6
Total edible vegetable oils	1,725.4	1,472.4	659.2	693.0	631.6
Soap fats and oils					
Tallow, inedible	540.7	553.5	118.1	118.4	124.8
Grease, excluding wool grease	310.1	318.3	75.0	84.2	96.8
Palm oil 4/	---	---	71.2	22.1	20.3
Fish oil	39.8	42.2	60.1	38.3	63.7
Marine mammal oil	---	---	24.8	10.4	9.3
Olive oil, inedible and foots	5/	5/	1.8	.6	.6
Total slow-lathering oils	890.6	914.0	351.0	274.0	315.5
Babassu oil 4/	5/	5/	11.1	8.7	8.2
Coconut oil 4/	98.0	139.8	124.4	96.4	102.2
Palm-kernel oil 4/	26.6	---	6/ 27.5	11.6	10.4
Total lauric-acid oils	124.6	139.8	163.0	116.7	120.8
Drying oils					
Castor oil, dehydrated 7/	38.3	19.5	8.4	7.1	5.5
Linseed oil	242.9	352.3	145.4	115.5	121.8
Oiticica oil	---	---	7.7	5.3	5.3
Perilla oil	---	---	.1	.1	.1
Tung oil	8.0	5.6	12.9	7.3	9.1
Total drying oils	289.2	377.4	174.5	135.3	141.8
Other industrial					
Neat's-foot oil	1.5	1.1	1.9	.9	.9
Wool grease	10.5	11.3	2.9	6.6	6.5
Cod oil and fish-liver oils	4.2	3.4	13.3	10.2	10.9
Castor oil, No. 1 and No. 3 8/	54.1	35.3	11.9	9.4	8.9
Rapeseed oil	---	---	18.2	8.5	7.3
Other vegetable oils	31.2	34.6	45.8	10.1	7.7
Total	101.5	85.7	94.0	45.7	42.2
Grand total 9/	4,940.4	4,549.0	1,750.7	1,358.9	1,378.9

Compiled from reports of the Bureau of the Census, except as noted. Data include stocks held by the Government in reported positions.

1/ Creamery butter production and cold-storage stocks, U. S. Department of Agriculture.

2/ Preliminary.

3/ Federally inspected production, USDA.

4/ Stocks, crude oil plus refined oil converted to crude basis by dividing by the following factors; Babassu, corn, cottonseed, palm, and palm-kernel oils, 0.93; coconut, peanut, and soybean oils, 0.94.

5/ Included in "Other vegetable oils".

6/ Crude only.

7/ Converted to crude basis by dividing by 0.88.

8/ Estimated quantity used in manufacture of dehydrated castor oil excluded from production.

9/ Computed from unrounded numbers.

Table 7 .- Production and stocks of shortening, and production, withdrawals for consumption and export, and materials used in manufacture of oleomargarine, United States, January-June 1945 and 1946

Item	June	1946 1/		January-June	
	1945	May	June	1945	1946 1/
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
SHORTENING					
Production	105,160	123,847	103,861	745,573	574,284
Factory and warehouse stocks, end of month	46,029	46,233	45,868	---	---
OLEOMARGARINE					
Production:					
Colored	13,578	2,149	4,597	49,211	16,717
Uncolored	35,044	38,820	31,435	275,415	244,058
Total 2/	48,622	40,969	36,032	324,624	260,775
Withdrawals:					
Tax-paid for consumption in the United States and territories	31,384	41,930	34,567	280,933	254,628
Tax-free for U. S. Government	12,292	74	3,560	35,539	4,514
Tax-free for export	5,575	457	227	8,433	3,214
Total	49,251	42,461	38,354	324,905	262,356
Materials used:					
Oleo oil	641	157	128	5,434	1,160
Oleostearine	77	140	88	1,076	937
Lard, neutral	396	174	120	3,956	1,040
Oleo stock	156	18	17	704	130
Tallow	2	3	1	2	14
Total, animal	1,272	492	354	11,172	3,281
Cottonseed oil	19,816	16,144	13,504	143,910	101,508
Soybean oil	17,483	16,158	14,250	99,032	96,295
Peanut oil	259	880	607	4,274	7,964
Corn oil	623	486	511	4,839	3,826
Cottonseed flakes	12	1	1	18	8
Soybean stearine	---	---	---	15	1
Soya flakes	5	---	5	34	5
Total, domestic vegetable	38,198	33,669	28,878	252,122	209,607
Sunflower oil	---	---	---	6	---
Total, foreign vegetable	---	---	---	6	---
Total fats and oils	39,470	34,161	29,232	263,300	212,888
Milk	8,348	7,034	6,102	56,306	44,112
Salt	1,480	1,299	1,104	10,049	8,076
Derivative of glycerin	80	68	66	543	509
Lecithin	43	53	46	349	314
Monostearine	37	33	28	267	196
Soda (benzoate of)	33	30	27	208	178
Vitamin concentrate	9	8	8	63	50
Color	8	1	3	67	13
Estearine	7	8	7	50	54
Miscellaneous	1	1	1	11	8
Total, other materials	10,046	8,535	7,392	67,913	53,510
Total, all materials	49,516	42,696	36,624	331,213	266,398

Compiled from reports of the Bureau of the Census and from Internal Revenue Bulletin.

1/ Preliminary.

2/ Total of unrounded numbers.

Table 8 .- Supply and disposition of fats and oils, by calendar years, 1937-46 and production of fats and oils from domestic materials, year beginning October, 1937-46

Supply and disposition, calendar year

Item	Average 1937-41	1942	1943	1944	1945	1946 (partly forecast)
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
PRODUCTION FROM DOMESTIC MATERIALS						
Food fats and oils						
Butter: Creamery	1,780	1,764	1,674	1,489	1,369	
Farm	431	366	341	329	337	
Total (actual weight)	2,211	2,130	2,015	1,818	1,706	1,450
Lard and rendered pork fat:						
Federally inspected	1,224	1,724	2,080	2,367	1,311	
Other	740	745	977	836	621	
Total	1,964	2,469	3,056	3,203	2,132	2,130
Edible tallow, edible animal stearine, oleo stock and oil	213	277	259	198	202	150
Total edible animal fats	4,388	4,876	5,330	5,219	4,040	3,730
Corn oil	155	248	239	211	205	
Cottonseed oil	1,472	1,386	1,313	1,132	1,273	
Olive oil, edible	6	7	10	6	4	
Peanut oil	87	77	153	1/ 108	1/ 95	
Soybean oil	419	762	1,234	1,246	*1,389	
Total edible vegetable oils	2,139	2,480	2,949	2,703	*2,969	2,670
Soap fats and oils						
Inedible tallow and greases	1,167	1,742	1,649	1,943	1,751	1,660
Fish and marine mammal oils	243	158	175	214	180	180
Total soap fats and oils	1,410	1,900	1,825	2,157	1,931	1,840
Drying oils						
Linseed oil 2/	277	699	715	732	454	
Tung oil	2	2	5	3	9	
Total drying oils	279	701	720	735	463	500
Other industrial	13	26	25	25	33	30
Grand total	8,230	9,983	10,847	10,839	*9,434	8,770
STOCKS of primary fats and oils January 1 (crude basis)	2,218	2,272	2,018	2,151	2,156	*1,726
IMPORTS of oil and factory production of oil from imported materials 3/	1,974	996	929	990	917	
TOTAL SUPPLY	12,422	13,251	13,794	13,980	*12,507	
EXPORTS, reexports, and shipments to U.S. territories 3/	448	940	1,581	1,533	1,059	
STOCKS of primary fats and oils December 31 (crude basis)	2,303	2,009	2,151	2,156	*1,726	
DOMESTIC DISAPPEARANCE 4/	9,669	10,286	9,967	10,258	*9,769	
Military procurement, excluding relief	50	557	974	1,183	1,173	
Civilian disappearance	9,619	9,729	8,992	9,075	*8,596	
	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds
Civilian disappearance per person (fat content):						
Food	46	45	43	42	40	38
Nonfood	24	26	24	25	24	24
Total	70	71	67	68	64	62

Production from domestic materials, year beginning October

Item	Average 1937-41	1942	1943	1944	1945 partly (forecast)	1946 (forecast)
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
Food fats and oils						
Butter: Creamery	1,805	1,725	1,511	1,420		
Farm	415	347	332	335		
Total (actual weight)	2,220	2,072	1,843	1,755	1,450	
Lard and rendered pork fat:						
Federally inspected	1,368	1,944	2,541	1,375		
Other	753	890	880	831		
Total	2,121	2,934	3,421	2,206	2,150	
Edible tallow, edible animal stearine, oleo stock and oil	225	269	213	202	140	
Total edible animal fats	4,566	5,175	5,477	4,163	3,740	
Corn oil	175	240	214	217		
Cottonseed oil	1,456	1,402	1,179	1,302		
Olive oil, edible	5	10	6	5		
Peanut oil	87	133	1/ 135	1/ 89		
Soybean oil	500	1,206	1,219	1,343		
Total edible vegetable oils	2,222	2,991	2,753	2,956	2,670	
Soap fats and oils						
Inedible tallow and greases	1,303	1,623	1,941	1,757	1,700	
Fish and marino mammal oils	226	192	168	214	160	
Total soap fats and oils	1,529	1,815	2,109	1,971	1,860	
Drying oils						
Linseed oil 2/	361	711	802	417	543	
Tung oil	2	5	2	9	7	
Total drying oils	363	716	804	426	550	
Other industrial	15	27	25	32	30	
Grand total	8,695	10,727	11,165	9,547	9,350	8,600

Compiled from reports of the Bureau of the Census, Fish and Wildlife Service, and U. S. Department of Agriculture. Totals and per capita estimates computed from unrounded numbers.

1/ Total production minus oil equivalent of imported Argentine peanuts. 2/ Total production minus oil equivalent of net imports of flaxseed. 3/ Imports include shortening and soap in terms of fat content. Exports include margarine, shortening, and soap in terms of fat content, procurement by the Army for European relief and procurement by the American Red Cross. Exports do not include oil equivalent of oilseeds exported. 4/ Adjusted for changes in stocks of margarine and shortening. Government stocks of lard in transit to warehouses and ports, and cold-storage stocks of butter held by the Army. *Revision, based on change in basic data.

Table 9 .- Price received by farmers and prices at terminal markets for specified oil-bearing materials and oilmeals, August 1944 and 1945, June-August 1946

Item	Unit	August 1944	August 1945	1946 June	1946 July	1946 August
		Dollars	Dollars	Dollars	Dollars	Dollars
Babassu kernels, f.o.b. Maranhao, Brazil	Metric ton	---	126.50	126.50	143.00	143.00
Castor beans, Brazilian, c,i.f. first port of arrival, U. S.	Long ton	1/75.00	1/82.50	118.00	118.00	118.00
Copra, Philippine, c.i.f. Pacific Coast	Short ton	---	---	2/109.50	109.50	109.65
Cottonseed, United States average	" "	53.20	52.50	51.50	60.00	59.1[illegible]
Flaxseed, No. 1, Minneapolis	Bushel	3.10	3.10	3.35	3.79	3.95
Flaxseed, United States average	"	2.89	2.89	3.10	3.43	3.6[illegible]
Peanuts, No. 1 shelled, Spanish, Southeastern shipping points	100 pounds	14.25	14.25	14.75	14.75	14.25
Peanuts, United States average	" "	7.64	8.19	8.83	8.97	8.88
Soybeans, No. 2 Yellow, Chicago	Bushel	1.94	2.18	---	---	---
Soybeans, United States average	"	1.90	2.12	2.17	2.31	2.35
			Oilseed Meals 3/			
Copra meal, Los Angeles 4/	Short ton	49.00	50.00	59.50	60.50	59.80
Cottonseed meal, 41 percent protein, Memphis	Short ton	48.50	48.75	62.75	100.00	95.00
Cottonseed meal, 41 percent protein, Chicago	" "	54.45	54.75	68.75	---	---
Linseed meal, 32 percent protein, Minneapolis	" "	45.50	45.50	59.25	89.50	84.50
Linseed meal, 34 percent protein, New York	" "	4/49.00	4/49.00	63.00	88.92	86.5[illegible]
Peanut meal, 45 percent protein, f.o.b. Southeastern Mills	" "	53.00	53.25	67.25	98.41	67.25
Soybean meal, 41 percent protein, Chicago	" "	51.90	52.00	66.00	97.00	93.15

Compiled from Oil, Paint and Drug Reporter, Daily Market Record (Minneapolis), Chicago Journal of Commerce, reports of the Bureau of Agricultural Economics, and records of Production and Marketing Administration.

1/ F.o.b. Brazilian ports.

2/ Ceiling price, effective June 11, 1946.

3/ Bagged, carlots.

4/ Original quotation adjusted to bagged - carlots basis.